



Paul A. Wescott
Director - Local Market Development
National Integrated Services
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Via Facsimile and U.S. Mail

February 17, 1997

Mark Turner
 Pacific Bell
 370 Third Street, Room 316
 San Francisco, CA 94107

Dear Mark:

Pacific Bell's lack of responsiveness continues to frustrate Sprint's attempts to replace our current faxed order process for local resale with Network Data Mover (NDM). I have documented our experience to date with Pacific Bell below. I am requesting your active participation in providing Sprint with the appropriate resources and responses needed to perform and complete testing as agreed upon in our many meetings on this subject. The immediate need is for Pacific to fulfill its commitment to provide Sprint with same-day status on test files transmitted via NDM both during "Connectivity and File Structure" testing and "PON" testing. Sprint still is waiting for Pacific's status on our transmission sent four days ago on 2/13/97. I expect Pacific to provide Susan Walter and Randy Campbell with status on the 2/13/97 transmission no later than 12:00 noon PST on 2/18/97 and that status on all future transmissions will occur on the same day.

Sprint - Pacific Bell NDM Chronology

- Sprint received data lay-out documentation from Pacific Bell in late December.
- The development kick-off meeting with Pacific Bell was held on 1/9/97. Since the initial meeting, we have held weekly status meetings to discuss questions regarding the data layout, operational/business rules and testing logistics. Since the first meeting, we have communicated a testing ready date of February.
- On 1/15/97, Susan Walter sent a message to Josh Goodell requesting documentation on RMI changes. In that email, Susan Walter stated that we planned to implement the interface in February.
- Around 1/23/97, Paul Gurken (Pacific Bell NDM coordinator) sent Bob Bickett (Sprint NDM coordinator) paperwork that needed to be completed in order to set up the NDM link. The Pacific Bell account team was not aware that this paperwork was sent nor was Susan Walter. Bob did not complete the paperwork at that time because Pacific Bell did not describe its purpose.

TAB N-145

Mark Turner
02/18/97
page 2

- At the 1/29/97 status meeting, we communicated to Pacific Bell that we would like to begin testing with mocked up data (Pacific refers to this as "Connectivity" and "File Structure" testing) on 2/3/97 and end to end testing (Pacific Bell refers to this as "PON" testing) beginning 2/17/97. Pacific Bell's technical point of contact was unable to attend that call, however, the account team agreed to follow up with her to ensure that Pacific could accommodate a 2/3/97 (or week of 2/3/97) date.
- On 1/30/97, Susan Walter received both a voicemail and an email from Janine Collins regarding the testing. Janine indicated that Pacific Bell required a 2-3 week lead time before testing or implementation could begin. Since Pacific's technical point of contact was out of the office, Janine could not commit to a date when testing could begin. She also stated that Sprint had not returned paperwork to Paul Gurken (this was the first time Susan Walter heard about the paperwork).
- On 1/31/97, Bob Bickett provided Paul Gurken the information needed by Pacific Bell to set up the link. We were told by Pacific that they would set up security, etc. and that we could then begin testing.
- At the 2/5/97 status meeting, Pacific still believed that Connectivity and File Structure testing could be accomplished by the end of the week.
- On 2/6/97, Susan Walter left a message for Janine asking her to ensure that Paul Gurken treated our requirement as priority.
- On 2/7/97, Bob Bickett received a message from Paul Gurken stating that he was working from home that day and would contact Bob on 2/10/97.
- On 2/10/97, Susan Walter left another message for Janine Collins advising that we had not yet heard from Paul Gurken. Susan Walter also paged Josh Goodell, however, he was unable to return the page. He left me a message late in the day advising that he would follow up with Paul Gurken.
- On 2/11/97, Josh advised me that Paul Gurken was out sick and had been since Friday and that Pacific was looking for someone to replace Paul.
- On 2/12/97, Josh agreed to have Paul's replacement contact our technical staff (Randy Campbell and Bob Bickett) on 2/13/97 to discuss status. At the 2/12/97 meeting, Sprint also provided a test plan to Pacific. Sprint agreed to send orders in the morning and leave a message when the file was transmitted. Pacific agreed to provide Sprint with feedback regarding the transmitted file on the same day.
- On 2/13/97, after a call between Bob Bickett, Randy Campbell and Pacific's NDM contact, a file was sent via NDM to Pacific Bell. Pacific was notified by Sprint that the file had been sent. Susan Walter left a voicemail message for Josh Goodell asking for status on the NDM transmission. Randy Campbell left an urgent message for Kerrin Beland requesting status. Sprint did not receive a response to either message.
- On 2/14/97, Randy Campbell left another message for Kerrin Beland. Susan Walter left another message for Josh Goodell. Josh replied to this message at 7:00 p.m. CST, but was unable to provide status on the prior day's transmission.

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Mark Turner
02/19/97
page 3

- Today, 2/17/97, Sprint has yet to receive any status on the 2/13/97 transmission and therefore, the schedule for PON testing and NDM deployment targeted for 3/1/97 are now both in jeopardy.

I look forward to your efforts to ensure that Sprint experiences no further delays in its efforts to complete NDM testing and replace the current fax order process with NDM transmissions. Please call me with any questions or comments you may have regarding this issue.

Sincerely,



Paul Wescott

cc: Susan Walter
Carol Bussing
George Head

TAB N-147

CERTIFICATE OF SERVICE

I, KATHERINE MCMAHON, hereby certify that I have this day served a true copy of the "Complaint of NewTelco, L.P., d/b/a Sprint Telecommunications Venture (U-5552-C) and Sprint Communications Company L.P. (U-5112-C) v. Pacific Bell (U-1001-C)" upon the parties listed below by messenger delivery:

Marlin Ard
Pacific Bell
140 New Montgomery Street,
Room 1517
San Francisco, CA 94105

Thomas J. MacBride, Jr.
John L. Clark
Goodin MacBride Squeri Schlotz &
Ritchie, LLP
505 Sansome Street, 9th Floor
San Francisco, CA 94111

Commissioner Jessie J. Knight, Jr.
California Public Utilities Commission
505 Van Ness Avenue, Room 5205
San Francisco, CA 94102

Monica McCray, Staff Counsel
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

William C. Harrelson
David J. Marchant
MCI Telecommunications Corporation
201 Spear Street, 9th Floor
San Francisco, CA 94105

William A. Ettinger
AT&T Communications of California, Inc.
795 Folsom Street, Room 625
San Francisco, CA 94107

ALJ Glen Walker
California Public Utilities Commission
505 Van Ness Avenue, Room 5111
San Francisco, CA 94102

Dated this 20th day of February, 1997, at San Mateo, California.



Katherine McMahon
Senior Legal Secretary

TAB N-148

1000

1000

1000

MAR 17 1997 4:00 PM

Thomas G. Moulton, Jr.
Vice President
Washington Operations

275 Pennsylvania Avenue, N.W., Suite 400
Washington, D.C. 20004
202 383-8461

PACIFIC  TELESIS
Group-Washington

cc: AKB
AC
DK
chron
ORGL: FILE

March 17, 1997

The Honorable John McCain
Chairman, Committee on Commerce,
Science, and Transportation
United States Senate
Washington, DC 20515

Dear Mr. Chairman:

At the Commerce Committee's hearing on universal service last Wednesday, the representative from LCI, Ms. Anne Bingaman, made several impassioned charges about the way Pacific Bell has handled her company's interconnection orders. They were good sound bites, but they were wrong. I would like to provide the facts about Pacific Bell's relationship with LCI. They may not be as dramatic, but they are accurate.

Ms. Bingaman charged that Pacific Bell has tried to hamper LCI's entry into the local telecommunications market in California. Indeed, she said that LCI's orders ended up lying on PacBell's fax-room floor. In fact, we received only a relative handful of orders from LCI in the first two months of this year. As we do with all Competitive Local Exchange Carriers (CLECs), we worked diligently with LCI's representatives to get those orders processed. LCI's staff told our order processing department that they were pleased with the personal service we gave them. Apparently, however, they didn't tell Ms. Bingaman.

From a larger perspective, we've begun to question just how serious LCI is about entering the California market in the near future. We began negotiations with them on an interconnection agreement in 1996, fully expecting to complete those negotiations - as we already have with 17 other competitors. But LCI withdrew late in the year, saying that they preferred to wait for the Eighth Circuit ruling on the FCC's interconnection order. In the absence of an interconnection agreement, we provide services for resale to LCI under a state tariff - just as we do to many other CLECs who chose not to negotiate an individual agreement. As noted above, LCI just doesn't place very many orders and, when they do, they choose to fax them instead of using the more efficient electronic interface we offer to all competitors.

TAB N-149

The Honorable John McCain
March 17, 1997
Page 2

In addition to mischaracterizing our relationship with LCI, Ms. Bingaman and another witness at last Wednesday's panel implied that Pacific Bell is not cooperating with the CLECs in general. Once again, this misrepresents what is actually happening.

Pacific Bell is one of the nation's leaders in opening our markets to competition. As of March 5, 1997, we had 29 interconnection agreements with 17 CLECs. Of these, the agreements with AT&T, Brooks Fiber Properties, Cox California Telecom Inc., Electronic Lightwave Inc. (ELI), IntelCom Group Access Services Inc. (ICG), MCI, Sprint, Teleport Communications Group (TCG), and TCI Telecommunications Services have been approved by the California Public Utilities Commission under section 252 of the Telecommunications Act of 1996.

We admit that we had some initial difficulties in processing resale orders for CLECs -- but that hasn't been entirely our fault. As Ms. Bingaman correctly noted, this is an entirely new process for all companies involved. All parties are trying to cope with the implementation of the Act in a very short timeframe, and mistakes have been made on both sides. Some problems are due to the ordering process itself. While some errors happen when we input the CLECs orders, many are due to errors in the orders we receive from the CLECs. We've had to hire additional people to handle CLEC orders because the CLECs do not use, or underutilize, the available electronic preordering and ordering systems. As a result, our cost and the time for processing orders have increased unnecessarily as we've diverted people to do for the CLECs what they could have done for themselves.

To address the processes within our control, we've made a considerable investment in, and committed significant additional resources to, our ordering center. We more than doubled our capacity to process orders just since the beginning of the new year. We expect continued improvement as all parties improve their internal processes and the CLECs make greater use of the electronic systems and shortcuts available to them.

In addition, we are now developing a fully electronic interactive system for CLECs to place their orders for most resold local services and unbundled elements. But we can't do this alone. We need the full cooperation of the competitive carriers to develop appropriate standards -- either individually or on an industry-wide basis -- before such systems can be designed and developed.

TAB N-150

The Honorable John McCain
March 17, 1997
Page 3.

In closing, Mr. Chairman, we want to assure both the Committee and Ms. Bingaman that LCI's orders aren't lying on our fax room floor. We thank you for this opportunity to clarify this matter and respectfully request that this letter be included in the record of the March 12 hearing. If you or your staff have any questions or comments, please do not hesitate to contact me.

Sincerely,

Thomas O. Moulton, Jr.

Thomas O. Moulton, Jr.

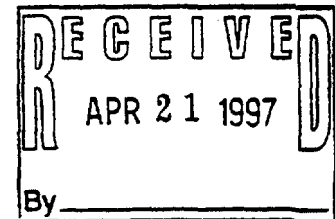
cc: Members of the Senate Committee on Commerce,
Science, and Transportation
Reed Hundt, Chairman, FCC
FCC Commissioners
Regina Kenney, Chief, Common Carrier Bureau, FCC
Richard Welch, Chief, Policy & Planning Division, FCC
Kate Marshall, Department of Justice
Anne Bingaman, LCI Corporation
Gail McGovern, AT&T Corporation
Roy Neel, USTA

John T. Stankey
Resale Operations
Vice President
Industry Markets Group

370 Third Street, Room 704C
San Francisco, California 94107
(415) 545-0950
Fax (415) 545-1001

PACIFIC*BELL
A Pacific Telesis Company

April 14, 1997



Ms. Anne K. Bingaman
LCI International Telecom
8180 Greensboro Drive
McClean, Virginia 22102

cc: AKB
EDE/RU
CASEY
CHONG
file
chron

Dear Ms Bingaman:

I would like to share with you the most current information regarding Pacific's resale processing capacity. We are sharing this information to aid you in your business planning. The same information has recently been shared with the Department of Justice, the Federal Communications Commission and the California Public Utilities Commission.

The aggregate industry capacity for resale services is estimated as follows:

<u>Time Period</u>	<u>Estimated Completions Per Day</u>
End of 2Q97	2,000 - 2,500
End of 3Q97	4,000 - 4,500
End of 4Q97	5,000 - 6,000

These plans are a result of very aggressive efforts in staffing, training, and systems deployment. In addition, Pacific has made assumptions in the absence of detailed forecasts from the CLC community regarding the mix of order types and products. While we will continue to do everything within our control to meet these projections, there remains the risk of unanticipated events. If any substantial change of forecast occurs, we will notify you our revised estimates.

As you know, we are not in a position to state the portion of capacity that will be allocated to LCI International Telecom because Pacific is not in a position to predict the percentage of overall volume that LCI International Telecom will represent as compared to the other CLCs. We hope you find this information useful for your planning purposes.

Regards,

John

cc: Tom Broadhead, John Doolittle, Debra Koosed

TAB 0

7/24 9.m.



April 21, 1997

Liz Fetter
President
Pacific Bell Industry Markets Group
370 Third Street
San Francisco, CA 94107

VIA FAX: 415-541-0685

Dear Liz,

I tried to reach you regarding customer PON # 30365113(Document Delivery Systems 2900 Bristol Street, Building E Suite 106 Costa Mesa, CA 92626) that has been out of service since 11:00 a.m. EST last Wednesday, April 16, 1997 however, you were out of the office Wednesday, April 23, 1997 and I wanted to document our extremely serious problems Pac Bell has caused our customer, Document Delivery Systems.

Our initial request was to transfer this customer's service with no changes to their existing 25 line account, an "assume as is" order.

The CSR on this account indicated that this customer had ground start lines, however, for some reason Pac Bell personnel converted those lines to loop start, effectively taking this customer out of service. This mistake was acknowledged by Pac Bell resale repair personnel on Wednesday evening who indicated that this was a keying error on the part of Pac Bell order entry. We have attempted to resolve this issue in over 50 telephone calls in the last four business days to personnel at your LISC. We have had absolutely no success to date. As of 9:00 p.m. EST, this customer is still out of service.

We finally succeeded about two hours ago, after numerous telephone calls in which we got only voicemail, in reaching a Mr. Lee Bauman. Mr. Bauman was the first executive we have talked to at Pac Bell, and the first person at Pac Bell to share our sense of outrage at what has occurred in what should have been the most simple of resale situations. We understand that Mr. Bauman has no escalated this to John Stankey, who I spoke to very briefly at 9:00 p.m. EST today, April 21, 1997. Mr. Stankey said he had just heard of the issue from Mr. Bauman and would get back to Wayne Charity, our Director of Local Operations.

We ask that you take every possible step immediately to resolve this and get this customer back in service.

It is precisely situations like these which have caused the complete loss of confidence in Pac Bell service which I have expressed publicly on previous occasions.

Given the extreme circumstances here, LCI hereby requests a written explanation of what has occurred, both for our own records and to explain Pac Bell's mistakes to our customer. Understandably, the customer is greatly concerned about what is going on. It has been through no error of LCI's, and we want the written record to be absolutely clear on that.

I would appreciate hearing from you at your earliest possible convenience. LCI urgently requests that Pac Bell take every step humanly possible to restore service to this customer, who has now been out of service since 11:00 a.m. on Wednesday, April 16th.

Sincerely,

Anne K. Bingaman

8180 Greensboro Drive * McLean, Virginia 22102 * 703-848-4400

TAB P-1

*** TOTAL PAGE. 01 ***

APR 28 '97 15:27

415 545 1001

PAGE 01

LCI International[®]

Worldwide Telecommunications

April 23, 1997

Joe Santa Maria
Industry Markets
Pacific Bell
200 West Harbor Place, Suite 735
Anaheim, CA 92805

Dear Joe:

The purpose of this letter is to document the ineffective escalation process and inadequate efforts by PacBell to restore a series of disconnects, which resulted from PacBell's incorrect entry of an "assume as-is" service order. I am also following up on Anne Bingaman's request to Liz Fetter for a written explanation of how these problems transpired during the course of the past week.

This customer (Document Delivery Systems, PON #30385113) was completely out of service for approximately 11 hours, and suffered intermittent and partial service over the course of the next four working days. On Wednesday, April 16, 1997, at 8:00 AM (PST), the customer lost all 25 lines and was completely without service for approximately 1 1/2 hours. Each day, since that time, the customer consistently lost service to various lines. As individual lines were restored by PacBell, others were disconnected. During that period we spoke with PacBell LISC personnel on approximately 60 separate occasions, in attempts to restore full service.

The order, correctly submitted by LCI, was for a direct "as-is" migration of all 25 of the customer's lines. PacBell Resale Repair personnel informed us, soon after the onset of the initial complete disconnect, that the problem was caused by incorrect keying of the order by PacBell order entry personnel. On Friday, LISC Manager, Chuck McDonnell, informed us that PacBell order entry personnel mistakenly issued the order for "new service" rather than for "records only," which, he said, is used for "as-is" migrations.

Additionally, we were informed by both PacBell repair and LISC personnel that the original complete disconnect occurred when PacBell changed the lines from "loop start" to "ground start," effectively disconnecting the customer's service. Since the Customer Service Records for this account indicate that the customer's lines were originally on "ground start," PacBell's explanation is the reverse of what we believe to be true. In any case, no change in the customer's line status should have been made at all.

The refusal or inability of PacBell LISC personnel to properly address this situation reached a level that required us to request that LCI's V.P. of Carrier and Regulatory Affairs, Greg Casey, and President of Local Services, Anne Bingaman, escalate this matter to PacBell executives.

It is bad enough that PacBell is incorrectly provisioning the simplest of orders and causing severe outages for LCI's new customers. This situation is made worse when PacBell subsequently refuses to make timely corrections of these errors, and the matter must be escalated to top executives in both companies for resolution; all this occurring while the customer suffers without service. As a result of of this five day ordeal, LCI has a very upset and distressed customer, who is due an explanation from PacBell. We would, therefore, request that PacBell provide us, by close of business on April 25, 1997, a written explanation of what took place between April 15-22, regarding this customer's service, which we will then transmit to the customer.

Finally, I am enclosing a copy of the letter sent by Anne Bingaman to Liz Fetter, and a chronological summary of our efforts to resolve this issue.

Sincerely,


Marina Cheng

cc: Anne Bingaman, Greg Casey, Wayne Charly, Mike Wajegras
Enclosures

6180 Greensboro Drive • McLean, Virginia 22102 • 703-442-0220

TAB P-2

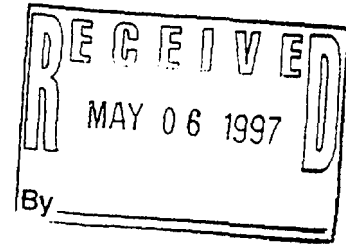
TOTAL P. 02

Elizabeth A. Fetter
President
Industry Markets Group

379 Third Street, Room 714
San Francisco, California 94107
(415) 545-9969

PACIFIC BELL
A Pacific Telesis Company

April 25, 1997



Ms. Anne K. Bingaman
LCI International
8180 Greensboro Drive
McLean, Virginia 22102

Dear Anne:

The purpose of this letter is to address the concerns in your letter dated April 21, 1997. These concerns relate to PON #3065113 for Document Delivery Systems. In opening, I want to assure you that it is not the intent of Pacific Bell to jeopardize the relationship with your customers or to purposely impair service to Document Delivery Systems.

As stated in your letter, the initial request to migrate your customer was received at Pacific Bell on March 27, 1997. However, due to existing backlog conditions, we were unable to type your request until April 15, 1997. Unfortunately, the LISC Service Representative that typed the original service order neglected to include the ground start feature on our SORD order. This oversight instructed our field forces to reestablish all existing service for Document Delivery Systems as loop start, in essence disabling all lines terminating in your customer's PBX.

On Thursday, April 17, a trouble report was sent to the LISC to correct the loop start, ground start problem. However, due to miscommunications, all of Document Delivery Systems lines were reconfigured as ground start. This miscommunication restored the customer's PBX lines but in turn disabled his fax and modem lines. The fax and modem lines should have remained configured as loop start.

On Friday, April 18, the impaired service issue was escalated to the LISC Escalation Manager, Chuck McDonnell, for resolution. Chuck worked with your management team, the end user, and Pacific Bell operations people throughout the day to bring a resolution to your customer's problem. At 9:00 p.m. on April 18, all lines were restored to your customer's satisfaction with the exception of 714-662-1226, which all parties agreed to abey until Monday, April 21, when a Document Delivery Systems vendor would be able to validate the belief that the problem was equipment related.

At 12:00 midnight on Saturday, April 19, the serving central office for your end user was cut over to a new switch in a dial with dial transfer. Due to the late hour of the resolution on Friday night, the cutover tapes for the central office were not updated to reflect the recent customer restoration activity. It was the lack of the most recent change information that again degraded service to Document Delivery Systems on Sunday morning.

TAB P-3

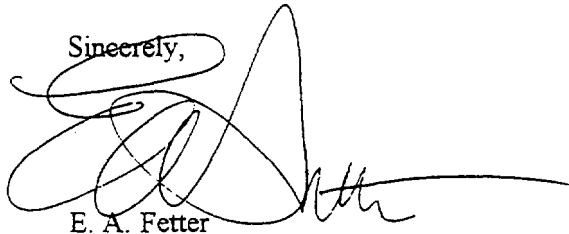
April 25, 1997

On Monday, April 21, another trouble ticket was generated to Pacific Bell to correct the most recent problems. This time our Escalation Supervisor, Victoria Flood, our Escalation Manager, and our operations people worked throughout the day to restore complete service to your customer. At 5:00 p.m. on Monday, all service was restored to Document Delivery Systems.

As you can see, a single error made by our Service Representative began the chain of events that led to inconsistent service to your customer over a period of four days. The events are regrettable and I'm sure distressing to your customer, but I assure you that Pacific Bell did work diligently to resolve your customer's problem. In fact, we were of the belief that the problem had been resolved on three separate occasions: Thursday, Friday and Monday. As a result of the problem, a flash was distributed to all LISC Service Representatives to be especially careful to check for proper feature optioning when writing orders and appropriate refresher training was provided to the Service Representative who initiated the original order. In addition, future problem resolution involving Pacific Bell Dial with Dial cutovers will be communicated to the central office supervisors involved.

I extend to you and your customer our sincere apologies. Please call if I can offer any further clarification.

Sincerely,

A handwritten signature in black ink, appearing to be "E. A. Fetter", with a long horizontal line extending to the right.

E. A. Fetter

cc: Marina Chang (LCI); Chuck McDonnell and Joe Santa Maria

TAB P-4

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Anne K. Bingaman
Senior Vice President
President, Local
Telecommunications Division

March 26, 1997

VIA FAX

Mr. Jack Goldberg
Vice President, Wholesale Services
NYNEX
1095 Avenue of the Americas, #4043
New York, NY 10035

Dear Jack:

As a separate matter from the issues on unbundled network elements and our test of them with NYNEX, let me raise in writing for your consideration our request that NYNEX waive the \$151.00 per hour engineering fee for Network Design work with LCI for the period of the test only. The basis of my request is as follows.

As you stated repeatedly during our meeting, LCI will be the first experience NYNEX has had with actually putting in place the processes and systems which it has documented for competitors wishing to use unbundled network elements in a network platform configuration. You acknowledged that it took NYNEX several months of what you called an iterative process to work through the issues and problems that arose in setting up what I think we would all agree is the much simpler process for resale. You stated that NYNEX looks forward to obtaining this experience with combined unbundled network elements, and welcomes LCI's desire to immediately test and work through the problems in these processes so that they can eventually become fully operational.

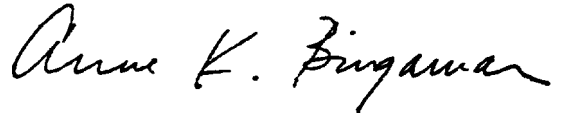
Given your statements of the value of this process to NYNEX, and given the unknown amounts of time and expense which LCI could incur in a process that NYNEX has yet to test with any other CLEC, we would ask that you waive the engineering fee for the period of the test.

TAB Q-1

Mr. Jack Goldberg
March 26, 1997
Page 2

Thank you very much. We appreciated you and all of the other NYNEX representatives coming to the meeting yesterday, and we very much look forward to promptly and expeditiously working through these issues with NYNEX.

Sincerely,



Anne K. Bingaman

AKB:slg 

TAB Q-2



Anne K. Bingaman
Senior Vice President
President, Local
Telecommunications Division

May 23, 1997

VIA FAX

Mr. Neil Cox
President
Ameritech Information Industry Services
350 North Orleans, Floor Three
Chicago, IL 60654

Dear Neil:

Thank you very much for coming to Washington for the lunch yesterday. It cleared the air and I sincerely appreciate your having taken the initiative to set it up and taking the time to come here for the meeting.

Of the several major issues noted in my May 22, 1997 letter, the most urgent and pressing is our desire to gain hands-on and practical experience for our engineering and process people in the OSS and backoffice systems needed to make the Unbundled Network Element (UNE) platform operational. As I told you, and as the large exchange of letters between me and Ed Wynn reflects, we have been trying for three months to get that done. I was relieved to hear you say that in fact Ameritech is currently conducting exactly such a test with AT&T. I would greatly appreciate it if we could be included in that test, so that our engineering people could gain the same experience as AT&T is gaining. I realize you said that the reason we had not been included in the test to date was because of a lack of engineering staff on Ameritech's part to conduct more than one trial simultaneously. Being mindful of that, we would endeavor to learn without putting additional demands on your engineering and backoffice organizations. But it is absolutely critical for LCI to learn and have access to the network platform if we are to compete effectively.

I also appreciate your ready response by removing Mr. O'Sullivan as our account manager because of the difficulties we have experienced since October. On the contract issues, I will be in touch with you shortly to work through what information you could give us on the embedded base on the long term contracts, which causes such problems in marketing.

TAB R-1

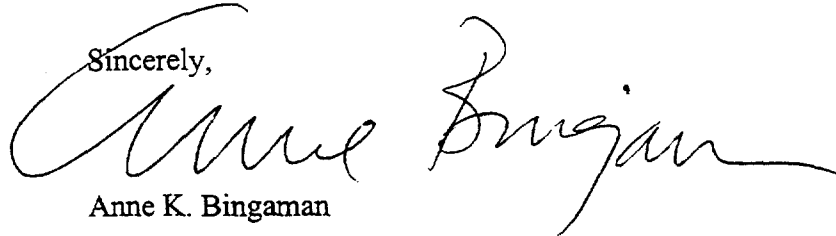
Mr. Neil Cox
May 23, 1997
Page 2 of 2

Thanks again for the meeting. We very much want to be included in the AT&T test. My desire is to gain operational experience, not to sue Ameritech, and I think it is much more productive of the time of both of our organizations to take the route you indicated yesterday, which is to let us share in the AT&T test that is ongoing, rather than posture with Ameritech's lawyers as a prelude to litigation.

I look forward to speaking to you further about all of this, and especially to participating promptly in the ongoing AT&T test, which I had not known of before yesterday.

Thank you very much.

Sincerely,



Anne K. Bingaman

AKB:slg

TAB R-2

LCI International®

Worldwide Telecommunications

Gregory M. Casey
Vice President
Carrier Relations & Regulatory Affairs

October 23, 1996

6
Mr. Michael O'Sullivan
Ameritech
150 E. Gay Street
Columbus, OH 43215

Dear Michael:

Based on our current discussions, LCI requests Ameritech's agreement to provide the following services for local service resale:

- 1) Voice Messaging- This is particularly important as we may be able to take this out of the Ameritech region where other RBOCs are not reselling this service.
- 2) Linebacker Service- This is essentially an end user service that covers inside wiring. If a customer has this service today and we convert them to LCI Local, Ameritech will cancel the contract. We need to be able to offer this, as it is an unreasonable barrier to LCI's success in reselling Ameritech local service.
- 3) Warm Transfer capability- If an LCI local customer calls Ameritech customer service, the customer will be told to call their Local Service Provider and nothing else. We need to work out a solution that causes the least annoyance to our customers. Ameritech should tell the customer that LCI is their LEC and will transfer the call while the customer is still on, eliminating much customer inconvenience.
- 4) Directory Listing- Self explanatory, however we would like to take advantage of more term and volume discounts as we expand throughout the Ameritech region.
- 5) Inside Wiring- We would like to negotiate an understanding for new service to add additional jacks, etc.

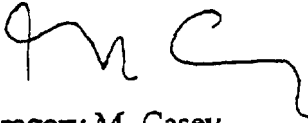
Finally, LCI is interested in negotiating a resale to unbundled element conversion process with Ameritech that is transparent to our customers. As I told you in our conversation, our plans are to sell Ameritech's local resale product for approximately the first six months starting in November. At some point in time, as both of our operations mature, LCI desires to convert our resale customer's over to an unbundled element

TAB R2-1

product that is rebundled to approximate the same level of service that is offered under local resale. We would like to accomplish this without the inconvenience of a disconnect to the customers existing service and without the customer or LCI receiving installation or non-recurring charges.

We look forward to meeting with you on the first of November to discuss the issues relative to these requests.

Sincerely,



Gregory M. Casey
Vice President
Carrier Relations & Regulatory Affairs

TAB R2-2

LCI International®

Worldwide Telecommunications

Gregory M. Casey
Vice President
Carrier Relations & Regulatory Affairs

November 14, 1996

Mr. Michael O' Sullivan
Ameritech Information Industry Services
150 E. Gay Street
Room 20-I
Columbus, OH 43215

4

Dear Michael:

To review my previous message, I quote the paragraph from the Michigan Bell vs. AT&T arbitration decision on unbundled elements:

"Ameritech took the position that unbundled combinations should be requested through the bona fide request process and therefore did not propose any prices. Since that time, the parties have negotiated and Ameritech has agreed to provide three combinations as standard offerings but has proposed no specific prices. Under the Commission's arbitration procedure, the Panel is limited to selecting one parties position. Therefore AT&T's combination prices are adopted."

This decision can be found on page 11 of the decision dated October 28, 1996 Cases No. U-11151 and 11152. Considering the results of this arbitration, LCI would like to see Ameritech's pricing on combined elements as noted in the decision. If you have any questions, please do not hesitate to contact me.

Also, as you know we, have also requested resale agreements for voice messaging, line backer service, directory assistance as well as comprehensive agreements for local resale in Michigan, Illinois and Ohio. We would like to culminate our discussions in these areas. Please forward these agreements as well as the combination pricing to me as soon as possible.

Sincerely,



Gregory M. Casey
Vice President
Carrier Relations and Regulatory

TAB R2-3

LCI International®

Worldwide Telecommunications

Anne K. Bingham
Senior Vice President
President, Local
Telecommunications Division

19th February, 1997

via facsimile: 312-527-3780

Mr. Neil Cox
President
Ameritech Information Industry Services
350 North Orleans, Floor Three
Chicago, IL 60654

Dear Neil:

As you know, we have rescheduled our February 11th meeting, which was to have been a two-hour introductory meeting, to a full day meeting on Friday, February 28, given the complexity of the subject matter. In preparation for that meeting, we thought it might help to briefly set out for you the issues we are considering. There will no doubt be other issues that will arise at the meeting, but we did at least want to lay out a preliminary agenda.

LCI would like to begin transitioning its existing customer base (and its new customers) from resale to a "network platform" of combined, unbundled network elements. In order to move in that direction as expeditiously as possible, we would ask Ameritech to advise us in advance of the February 28th meeting of the following items:

1. The unbundled network elements that Ameritech is currently offering for sale;
2. The network elements that Ameritech believes will be required to establish a network platform;
3. The price of these elements, including reference to any prices currently established pursuant to tariff or interconnection agreements with other CLECs;
4. A full description, with as much detail as possible, of the method for ordering and provisioning of these network elements; and
5. The time frame within which these elements can be provisioned by Ameritech.

TAB R2-4